

Counterpunch

A Report from the Capital

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The Marketplace of Ideas

Raising Money with the "New Democrats"

The Democratic Leadership Council (DLC) has always had a knack for raising money. Back in late 1992, at a dinner held to honor its former chairman and then president-elect, Bill Clinton, the DLC took in \$2.6 million. A few sponsors of the \$15,000-a-plate affair were the American Bankers Association, the Tobacco Institute, Merrill Lynch, Coca-Cola and Occidental Petroleum.

The DLC champions the middle class and berates "special interests," but its *raison d'être*—and the key to its financial success—is catering to the ideological needs of business. According to Ellen Miller of the Center for Responsive Politics, it's like the old question of which came first, the chicken or the egg. "The type of donors that give money [to the DLC] are expecting something in return, in this case favorable policies from an influential institution," she says. "And they [the DLC] are able to get money from these corporations because of the positions they take."

The link between the Council's finances and its ideology is exposed in its current fundraising campaign, which is detailed in recent memorandums obtained by *Counterpunch*. The documents also display the base ethical standards of the Council, which proposes that prominent DLC elected officials—including Bill Clinton, VP Al Gore and Georgia Senator Sam Nunn—hit up corporate donors who stand to gain from their solicitors' future decisions.

Founded in 1985 by conservative Southern Democrats, the DLC's first mission was to crush the influence within the Party of blacks, unionists, the poor and other undesirables. Four years later, having largely achieved that goal, the Council established the Progressive Policy Institute (PPI) to promote its "New Democrat" ideas.

A 21-member Board of Trustees provides most of the PPI's budget. Board members, who play a significant role in policy formulation, include five investment bankers, three real estate barons, a Louisiana socialite, a leading contributor to the Republican Party, and officials from Coca-Cola, Gilman Paper Co. and the Mars candy empire.

A key issue for the PPI last year was the battle for NAFTA, which it promoted in a series of position papers and in a corporate-financed lobbying campaign. Institute vice chair Al From was especially pleased that debate on the trade pact provoked a split between the Clinton administration and organized labor, the PPI's *bête noire*.

A current Institute priority is "two-years-and-out" welfare reform, which offers job training to welfare recipients and then boots them from the public rolls if they fail to find work. Legislation offered by "New Democrat" Rep. Dave McGurdy would pay for said job training by cutting off Supplemental Security Income and Medicaid to *legal* immigrants.

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A Whaling We Will Go

VP Al-hab in Secret Pact With Norway

To appease the Big Three auto makers, the Clinton administration asked only voluntary compliance with new federal fuel emission standards. When the sugar lobby complained, the government okayed continued farming in the Florida Everglades. Bowing to the timber industry, the Clintonites approved logging in spotted-owl habitats.

Now, in its biggest sellout of the mainstream environmental movement, the administration has caved in to the mighty Oslo fishing lobby and will apparently back a Norwegian plan that paves the way for resumed commercial whaling. The chief U.S. backer of the proposal—to be discussed at the International Whaling Commission (IWC) meeting in Puerto Vallarta, Mexico, held in late May as *Counterpunch* went to press—is the Environmental Vice President, Al Gore.

In his stirring 1992 eco-thriller, *Earth in the Balance*, Gore emotionally recalled the plight of three whales trapped under the ice of the Beaufort Sea. "Television networks from four continents came to capture their poignant struggle for air," wrote Gore. "After several elaborate schemes failed, a huge icebreaker from the Soviet Union cut a path through the ice for the two surviving whales. Along with millions of others, I [was] delighted to see them go free."

Once in office, Gore was less moved by the plight of the whales. The U.S. last year threatened but failed to impose sanctions on Oslo after Norwegian fisherman harpooned 157 minke, breaking the IWC's 1986 moratorium on all commercial whaling. Gore vigorously opposed sanctions, arguing that Norway should be given another chance to show "good faith."

Gore and Norwegian Prime Minister Gro Brundtland have held several meetings to plot strategy for the IWC meeting, including a crucial tryst held at the White House last Sept. 29. The encounter between these two prominent world leaders—chronicled in a leaked transcript provided to *Counterpunch* by D.C. activists—opened with what must surely rate as one of history's most banal exchanges.

Gore: Sorry I'm late, but we've been behind since announcing our clean air initiative with our auto makers.

Brundtland: I realize your schedule is tight. But it's just this type of initiative we need at our upcoming conference on consumption and development—we would welcome your presence.

Gore: Thank you. By the way, congratulations on your re-election. I'm impressed how you timed the Middle East accord breakthrough to coincide with the election! [laughter] Seriously, your efforts in achieving this breakthrough deserves real credit—it sets a superb example for the rest of the world. I'm sure you received many compliments at the U.N. General Assembly. I think President Clinton's speech was also very well received.

Brundtland: Thank you. His speech was the first American President's speech I could have given.

Gore: I was especially pleased he included environmental issues.

Brundtland: I agree. Your speech at the sustainable development conference was also very good.

Gore: As was yours at Harvard—we were all very impressed.

The two ecologists then got down to business, with Gore sternly informing Brundtland that the U.S., in principle, remains opposed to commercial whaling. However, added the flexible VP, the Clinton administration would be willing to support the Revised Management Scheme (RMS), a Norwegian-backed scheme which would authorize limited commercial whaling and set quotas for certain species. With U.S. backing, the IWC is expected to approve a proposal that lays the groundwork for a formal adoption of the RMS a few years down the road.

Brundtland: You cannot support whaling. I accept that, but can we, in good faith, expect frank and open discussions at the IWC?

Gore: Absolutely.

Brundtland: We cannot work...to achieve an RMS, but then allow someone using legal loopholes to block acceptance and retain the moratorium.

Gore: Let me repeat. We need trust to make this work. We will enter this process with you in good faith, and will not pull a fast one at the end. We will continue to give you a candid assessment of the issues and also the pathway to proceed in resolving the issue.

If the RMS goes forward, Japan, Iceland and other nations will also move to resume commercial whaling. Furthermore, enforcing quotas is virtually an impossible task, as whaling takes place at sea. Russian officials admitted this year that Soviet fleets routinely violated IWC kill quotas for three decades, saying that the "hunting of protected species, whaling at prohibited times in prohibited areas, extermination of entire herds and even populations...all were commonplace."

While objectionable, Brundtland's posture on whaling is at least comprehensible; she is acting to win the support of her nation's important fishing communities. The U.S. posture is more bizarre, given that no domestic sector actively supports whaling.

Two possible explanations for U.S. spinelessness are Gore's close friendship with Brundtland, whom he met at the U.N.'s 1992 "Earth Summit" in Rio de Janeiro, and, perhaps of greater import, the \$50,000 monthly retainer Norway is paying for the lobbying services of Akin, Gump, the D.C. law firm whose ability to work wonders with the Clintonites was detailed in the last issue of *Counterpunch*.

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Movers & Shakers

The *Washington Monthly's* May issue debunks the popular notion that Bill Clinton has corrupted the capital with the shady ethical standards of Little Rock. While not defending Arkansas political culture, author Jon Meacham points out that "the backscratching arts the Clintons are accused of importing from down South have been practiced [in Washington] with unmatched skill for years."

One of the promoters of the sordid Little Rock myth is *Newsweek* correspondent Howard Fineman. "Arkansas is [a] poor state where maybe 200 people run the whole show," he recently pontificated on *Washington World This Week*. "They have the money. They've got the power. They're on a first-name basis with each other...and the line between public money and private business is very fuzzy."

That portrait, a perfect depiction of Washington, is especially ironic coming from Fineman. As the *Monthly* notes, Fineman's wife, Amy Nathan, is a lawyer with Akin, Gump, the well-connected D.C. firm whose partners include Vernon Jordan, Robert Strauss and other potent peddlers of influence.

Fineman himself is a consummate capital insider who easily mixes with the rich and powerful. Last year, he joined Bill and Hillary Clinton, Supreme Court Justice Harry Blackmun, three U.S. senators and hundreds of other powerful players at the grotesque Renaissance Weekend in Hilton Head, S.C. Like other invited journalists, Fineman attended on the condition that he not write about the event, which cost roughly \$1,500 per couple.

When not attending enlightening seminars like "Building an Inner Life," Fineman played touch football with Clinton and chatted with the president during a "get acquainted" party for Renaissance newcomers. He also helped convince Clinton to send First Daughter Chelsea to exclusive Sidwell Friends Academy, where Fineman's daughter and the children of other elite Washingtonians learn civics, history and networking.

Sidwell's annual tuition of \$11,000 is an insignificant burden to Fineman, who supplements his *Newsweek* salary with speaking engagements to corporations, trade associations and other interested parties. The price to hear Fineman's insider wisdom is a mere \$5,000.

Scorned worldwide, the Haitian military has not been abandoned by Robert Novak. The nationally syndicated columnist recently visited Haiti and found a thriving human rights environment, reporting that "military and police presence...seems exceptionally low." Novak also writes favorably of the sinister Col. Michel Francois, who many Haitians are said to be grateful to for having "neutralized [President] Aristide's street gangs"—this being a courteous way to describe the ongoing slaughter of unarmed supporters of Haiti's deposed leader.

Novak's key source on Haiti is Robert McCandless, a friend of two decades and the former lobbyist for Joseph Nerette, the military-installed president who replaced Aristide. McCandless's \$165,000 annual contract with the Nerette regime, signed in March of 1992, included a bonus of 100 percent if the international economic embargo on Haiti was lifted within 60 days. Not only did McCandless fail in that task, but his contract

was soon canceled when the Treasury Department ruled that his lobbying activities were in violation of the embargo.

In a column last year, Novak urged the Clinton administration to take advantage of McCandless's "invaluable contacts with the Haitian military and police to seek a solution [to the political crisis]." He might have mentioned that McCandless's original "solution," floated back in 1992, was that Aristide be returned to Haiti so he could be tried by the military for alleged human rights violations.

It wouldn't be surprising if McCandless is behind Novak's recent call for an "independent" factfinding mission to visit Haiti. The columnist's choice to lead the mission is Robert Dole, the Kansas senator who endorsed the CIA's labelling of Aristide as a "psychopath." Like Novak, Dole questions reports of human rights violations in Haiti, saying, "I'm not certain all these stories we hear about people being hacked to death, how accurate they are."

With the end of the academic year at hand, the CIA has sent job notices to Washington-area universities announcing the availability of entry-level positions paying up to \$45,561. "You will need to deal with fast-moving, ambiguous, and unstructured situations that will test your resourcefulness to the utmost," reads the flyer. "This is the Clandestine Service, the vital human element of American intelligence."

Those seeking to join the Agency should have "a college degree with an excellent academic record, strong interpersonal skills...and a burning interest in international affairs." It's not clear, though, where college students might have gained "experience in...nuclear, biological and chemical warfare," which the flyer says is of "particular interest."

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"New Dems," from p. 1

On March 7, Development Director Winston McGregor sent PPI trustees a memo with the names of several hundred potential Institute contributors. Many of the prospects were culled from a second memo, dated Feb. 28, which catalogs all \$25,000 plus donors to the Democratic Party. A note attached to the latter document says the PPI "should explore almost all of the individuals on these lists with the exception of those from the labor community."

The PPI's targets are a gaudy mix of Fortune 500 firms and wealthy individuals. They include prominent Republicans such as billionaire Walter Annenberg, Richard Nixon's ambassador to Britain, who made it to the "A list" of top prospects. In some cases, the memo selects "the individual who [would] be most successful in soliciting the contribution":

- Bill Clinton is suggested to put the hit on Donald Tyson, head of Little Rock-based Tyson Foods, and megainvestor Warren Buffett, the richest man in America with an estate valued at \$8.3 billion.
- VP Al Gore, the administration's point man on the information superhighway, is to obtain money from John Cooke of the Disney Channel. Cooke's firm has much at stake in federal policy on telecommunications laws and regulations.
- Sen. John Breaux—who once announced that his vote could not be bought but "it can be rented"—is to extract funds from John Kluge of Metromedia, a company which he oversees from the communications subcommittee of the Senate Commerce Committee. The Louisiana senator, a vigilant ally of agricultural interests, is also to solicit Grover Connell, whose Connell Co. is the country's largest independent sugar and rice trader.
- Sen. Sam Nunn is to solicit Ronald Allen, CEO of Atlanta-based Delta Airlines. Last September, Nunn lobbied the Transportation Department on Delta's behalf in negotiations with Germany on a new bilateral aviation accord.

The PPI's policy choices are particularly interesting in light of its funding base and donor targets. Take the issue of campaign finance reform, which vice chair From opposes in the current issue of *The New Democrat*, the Institute's torpor-inducing publication. "For all the superficial appeal of replacing special interest money with public funding...I shudder at the thought that some day some government bureaucrat could decide which campaigns to fund," writes From. "The best solution is lots of sunshine. Give voters the information they need to exercise their ultimate power."

Naturally, From's views aren't influenced by the presence on the PPI's board of Richard Fisher, who spent \$4.5 million of his own money to buy victory in April's Texas Democratic senate primary, or by the fact that the Institute's major funders are the same corporations and individuals who, under the current system, purchase political influence with their generous campaign contributions.

The New Democrat also feels strongly about China, blasting Beijing's "bully boys" for their "abysmal" human rights record, but then demanding that Clinton renew the country's

most-favored-nation trade status. Unmentioned here is that many DLC corporate contributors have important commercial relations with Beijing, including at least three firms which hold seats on the Council's board: Xerox controls 45 percent of China's desktop copier market, Pepsico recently announced new investments in China of \$350 million, and Merck, whose chairman, Roy Vagelos, last year visited Beijing to explore business opportunities.

In regard to the budget, a *New Democrat* edit proposes reducing federal spending by \$225 billion over the next five years. Not one of the recommended cuts impacts the defense budget, a posture which surely must be pleasing to DLC donors like Martin Marietta, General Dynamics, Boeing and McDonnell Douglas (MDC).

The latter company has received an especially healthy return on its investment in the Council. Will Marshall, the PPI's top professional staffer, personally lobbied Clinton to approve last year's controversial sale of 72 of MDC's F-15s to Saudi Arabia.

Contacted by *Counterpunch*, PPI spokesman Chuck Alston denied that the Institute tailors its position to attract donors. Alston also endorsed From's views on campaign finance reform—a far cry from the views he expressed as recently as December of 1992, when a staff writer for *Congressional Quarterly*. In an article he wrote at the time, Alston heaped equal scorn on "fat cat" donors and "world-weary reporters [who] quit questioning the propriety of big money in campaigns."

As to the fundraising campaign, Alston says members of the PPI's prominent dialing-for-dollars crew probably "don't know they're [on the list] as solicitors." In another apparent departure from his 1992 views—"the interests who give [money] have expectations that are rarely benign. Little wonder that voters are hip-deep in cynicism"—Alston sees nothing wrong with DLC political figures seeking funds from companies they are charged with regulating.

Watchdog groups were less blase about the PPI's fundraising stratagem. "It's a typical Washington response," Charles Lewis of the Center for Public Integrity says of Alston's posture. "It's not out and out bribery, so it's OK."

Also noteworthy is that the PPI—whose vice chair From favors "sunshine" and giving "voters the information they need" over campaign finance reform—refuses to make public its own list of donors. "If there's no link between money and policy, what have they got to hide?," asks Lewis.

That's a question Alston might have been able to answer a few years back. After a few years at the PPI, he's grown far too weary to ponder such matters.

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